

MOVING AHEAD



PARKING
OF BALTIMORE CITY
AUTHORITY

2022 ANNUAL REPORT

MISSION

Our mission is to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things “parking” in Baltimore.

VALUES

INTEGRITY

We follow all laws, regulations, policies, and procedures. The decisions we make are morally right and in the best interest of the city.

PROFESSIONALISM

We interact with our customers and with our teammates with professional conduct and courtesy at all times. Our actions and appearance reflect the professional nature of our organization.

RESPONSIVENESS

We respond quickly to the questions, concerns, and needs of all of our customers and of our teammates.

FAIRNESS

In our interactions with customers and teammates, we are always fair and unbiased.

INNOVATION

We are always looking for ways to accomplish our mission better, faster, and at less cost.

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LETTER FROM THE MAYOR



Finding a parking space should not be a reason to keep anyone from visiting Baltimore's many great neighborhoods, institutions, and attractions. Parking may not be top of mind for you, but it is for the dedicated team at the Parking Authority of Baltimore City (PABC). Whether you are looking for a convenient place to park your car before heading to dinner at one of the great restaurants in Harbor East or commute every day to work and want a safe place to park, the Parking Authority has you covered.

In 2022, the Parking Authority dedicated significant time to analyzing parking in Fells Point, Federal Hill, and Mt. Vernon to determine the right price for metered parking to make it easier for drivers to find available parking spaces on our streets. They were also busy making improvements to Baltimore City-owned parking garages, ensuring the safety of parkers, and that the structures will remain in good condition for years to come.

Renovations are underway at the Parking Authority's neighboring structure, CFG Bank Arena requiring PABC to move to new offices close to Lexington Market early in 2023. Conveniently located near the City-owned Market Center Garage, parking will still be convenient for Parking Authority customers. Stop by the newly renovated Lexington Market to visit one of the many stalls to pick up some fresh produce, a bottle of wine, or a crab cake after you pick up your parking permit!

Please read more to discover how the Parking Authority is Moving Forward towards the future.

In service,
Brandon M. Scott
Mayor, City of Baltimore

MESSAGE FROM THE BOARD

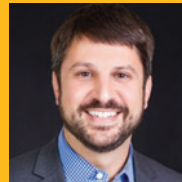
HENRY M. KAY, AICP
BOARD CHAIR
Director, Transit/Rail, Rummel,
Klepper & Kahl (RK&K)

ROBERT STOKES, SR.
SECRETARY
City Councilman, District 12

ROBERT "BOB" CENNAME
Budget Director,
City of Baltimore, Bureau
of Budget and Management
Research (BBMR)

NATASHA M. DARTIGUE, ESQ.
Office of the Public Defender
for Baltimore City, District
One Administration

TONY SCOTT
Associate Director for Project
Development, Mayor's Office of
Infrastructure Development



From the perspective of the Board of Directors of the Parking Authority of Baltimore City (PABC), we are gratified to see that residents, workers, and visitors are taking full advantage of Baltimore City-owned garages and lots as well as metered street parking. Parking utilization is now near pre-pandemic levels.

The Board of Directors is excited about new initiatives that PABC will roll out next year including Virtual Permit Parking which uses a vehicle's license plate number as the credential, replacing more than 30,000 window decals; installing additional electric vehicle charging stations in City-owned garages, lots, and on-street; and updating the payment machines and gates in our parking garages. Upgrading this equipment will enable garage managers to more efficiently and effectively operate the garages and will help parkers more easily enter and exit the garages.

Finally, after many years in our offices adjacent to the Arena Garage, we will be moving to make way for the redevelopment of the arena. The PABC is proud to be a part of the revitalization of the Lexington Market area through our relocation to, and adaptive reuse of, the former Lexington Market East building. Our new location will be both convenient and comfortable for our customers and employees.

Henry M. Kay, AICP
*Board Chair
Parking Authority of Baltimore City*

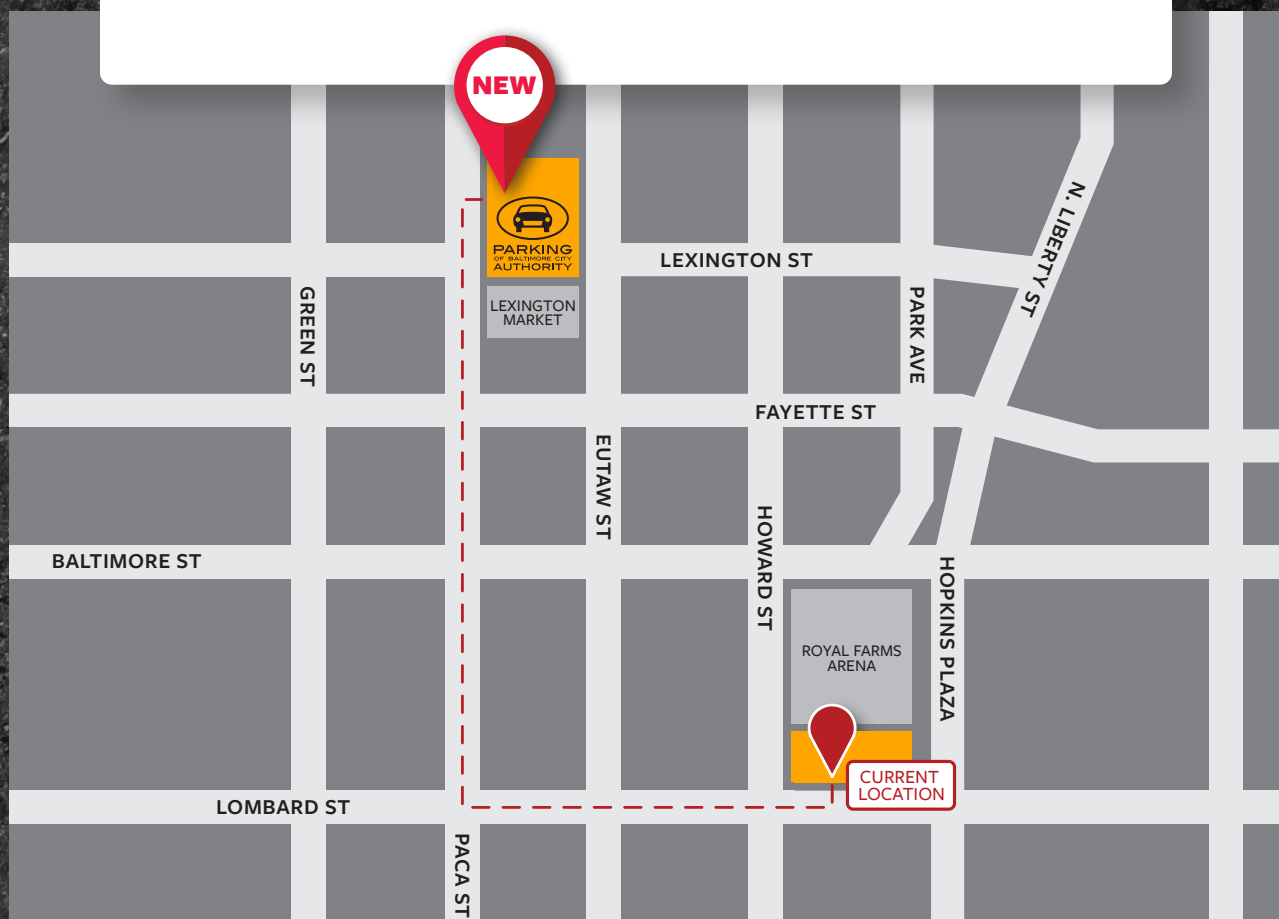
WE ARE MOVING TO NEW OFFICES

The redevelopment of the CFG Bank Arena (formerly known as the Royal Farms Arena), to include increased seating capacity and stage area, will require the Parking Authority Office, which is currently adjacent to the Arena, to move early next year.

We are excited to announce that our new office will be on Paca Street close to the new Lexington Market! In fact, our new office will be built in the former East Market Building as an adaptive reuse of that space. Our office will be connected to the Market Center Garage to make parking easy for customers who need to visit us in person.

We can't wait to be able to easily grab a turkey sandwich from Krause's Lite Fare, or chicken and waffles from Connie's, or a Faidley's crab cake for lunch and enjoy it on the public promenade nearby.

We should be moving in around April, 2023. See you there!



MOVING TOWARDS...

ELECTRIC VEHICLES

Electric Vehicle (EV) sales are projected to account for 35% of new car sales in the U.S. by 2030 and are projected to account for 45% of new car sales in the U.S. by 2035. Lack of EV charging infrastructure is one of the main reasons Americans do not purchase an EV. This problem is especially acute in cities, where many residents own homes without a garage, parking pad, or driveway and, therefore, cannot recharge an EV on their own property.

The Parking Authority of Baltimore City (PABC), along with City agencies, utility, and other partners, wants to solve this problem by creating a robust system of equitably distributed, publicly accessible EV charging stations throughout the City over the next 10 years.

Why is PABC involved in EV charging?

EV charging requires three things:

1. an EV;
2. an EV charging station;
3. and a parking space.

We are experts in the installation, operation, and maintenance of smart/complex equipment operating on the public right-of-way (i.e., parking meters).

ACCESSIBILITY

When Project SPACE launched in July of 2014 in the Central Business District, it did four things:

1. **RESERVED** on-street parking spaces for people with disabilities in metered areas.
2. **INSTALLED** accessible single-space parking meters at the reserved spaces.
3. **RETROFITTED** existing multi-space EZ Park meters to meet most current Americans with Disabilities Act (ADA) standards
4. **REQUIRED** payment from everyone parking at ADA accessible meters

According to the Baltimore Police Department, prior to launching Project SPACE, an average of 23 disability parking placards were reported stolen per month. In the months following Project SPACE, that number plummeted to three per month.



PABC is focused on the goal of creating a robust system of EV charging stations, and has already taken the following steps to achieve it:

- Creating and filling of EV Charging Programs Manager position
- Taking a leadership role on the City's EV Charging Work Group
- Representing the City on Zero Emission Electric Vehicle Infrastructure Council
- Serving as the primary point of contact for BGE and their EVSmart program
- Applying for grants from the State of Maryland for the purchase and installation of EV charging stations
- Creating and updating the EV charging page on our website

Over the next four years, we expanded Project SPACE in phases to include the following neighborhoods:

1. Central Business District
2. Harbor East/Fells Point
3. Federal Hill
4. Mount Vernon
5. Hampden/Mt Washington, Midtown and Station North, Johns Hopkins Hospital/Northeast Market/Parole & Probation

This year, we will continue to expand Project SPACE to complete the rest of Baltimore City. To keep up with our expansion, visit <https://parking.baltimorecity.gov/project-space>.

GARAGE REPAIRS MOVE BALTIMORE INTO THE FUTURE

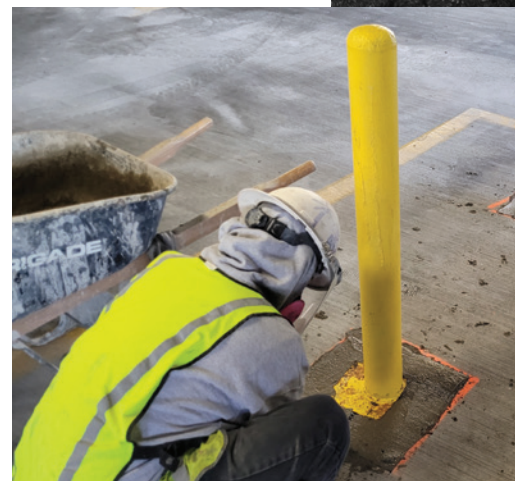
Maintaining the City-owned garages and lots is an important responsibility that we take very seriously to keep the public safe and to improve the customer experience. This year we are replacing equipment in many of the facilities, upgrading elevators in several garages, and we are making needed repairs of concrete, waterproofing, and expansion joints in several facilities.

In September, we released a Request for Proposals to replace the Parking Access and Revenue Control System (PARCS) at each of the 14 Baltimore City-owned garages. Replacing the nearly 20-year-old equipment with modern technology will lead to fewer equipment issues and more efficient operations, resulting in a better overall customer experience. Newer technology also has better capabilities when it comes to reporting, which will provide new data that will allow us to continue to improve our operations.

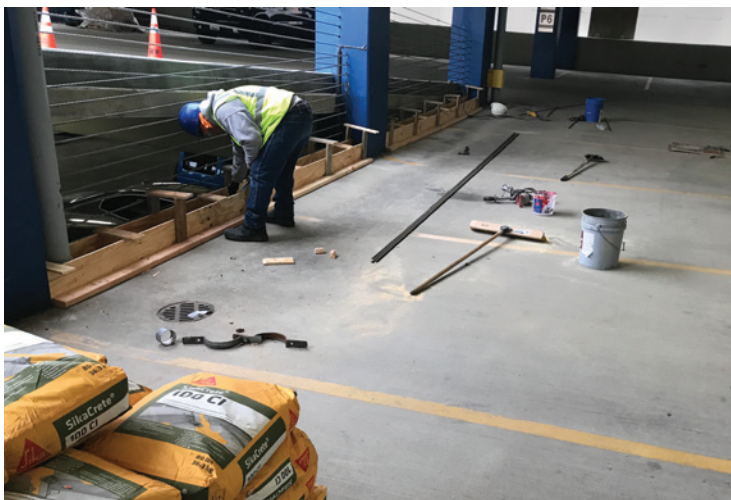
Early in the year, Lexington Street Garage underwent concrete repairs and waterproofing. With minimal disruption to parkers, the construction began in February and ended in early June 2022.

The Baltimore Street Garage went through multiple upgrades this year including storm drain upgrades, concrete repairs, expansion joint replacement around the elevator slabs, waterproofing of elevator shafts and replacement of the waterproofing membrane on the second level.

There are many upcoming repairs and renovations at Market Center, Penn Station, and Franklin Street garages. At Market Center Garage, we are planning for concrete repairs, stormwater drainage repairs, and waterproofing. At the Penn Station Garage, we are working with the City's Department of General Services on replacing an expansion joint on the plaza and rebuilding a staircase on the Charles Street side of the train station. We are in the preliminary stages of repairing the Franklin Street Garage. A full structural assessment of the garage is being undertaken to determine the needed repairs and to prioritize which repairs need to be done right away.



Lexington Street Garage Repairs



Baltimore Street Garage Repairs



Baltimore Street Garage Roof Repairs

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Required Supplementary Information:
Budgetary Comparison Schedule – General Fund

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Baltimore City Parking Authority, Inc.

OPINION

We audited the accompanying financial statements of the governmental activities and fund information of Baltimore City Parking Authority, Inc. (Authority) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information of the Authority as of June 30, 2022 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

OTHER MATTER

Accounting principles generally accepted in the United States of America require management's discussion and analysis on Pages 8 through 9 and budgetary comparison information on Page 13 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America that consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance matters regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



ELLIN & TUCKER

Certified Public Accountants

Baltimore, Maryland, November 8, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. The notes to the financial statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, specifically the Budgetary Comparison Schedule.

The Governmental Fund Balance Sheet/Statement of Net Position is presented in reconciliation format and shows the difference between the assets and liabilities of the Authority as reported using the current financial resources measurement focus and modified accrual basis of accounting (Balance Sheet) and assets and liabilities as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Net Position). For the Authority, the difference relates primarily to capital assets, which are reflected as assets in the Statement of Net Position but excluded from general fund assets.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is also presented in reconciliation format and shows the differences between revenues and expenditures as reported using the current financial resources measurement focus and modified accrual basis of accounting (Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) and revenues and expenses as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Activities). The primary differences relate to the treatment of capital asset purchases. For governmental fund accounting purposes, all cash payments for capital asset acquisitions are reflected as expenditures and deducted from revenues in calculating the net fund activity for the fiscal year. Under accounting principles generally accepted in the United States of America, capital asset acquisitions are not reflected in the Statement of Activities as a deduction from revenues but are reflected as increases to assets or reductions of liabilities.

Generally, fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources segregated by specific activities or objectives. The Authority's financial activity is classified into one fund, which is the general fund. The general fund accounts for capital asset acquisitions as expenditures when acquired, rather than as capital assets, as a result of the use of the current financial resources measurement focus in accordance with generally accepted accounting principles.

The notes to the financial statements provide additional information needed for a full understanding of the basic financial statements.

Required supplementary information consists of a comparison of actual financial activity to budgeted amounts to demonstrate compliance with the budget.

ANALYSIS OF NET POSITION AND CHANGES IN NET POSITION

The following is a comparison summary of the Authority's net position and changes in net position for the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Assets: | | |
| Current and Other Assets | \$ 13,293,192 | \$ 11,521,944 |
| Capital Assets | 220,761 | 171,070 |
| Total Assets | \$ 13,513,953 | \$ 11,693,014 |
| Liabilities: | | |
| Current Liabilities | \$ 1,110,449 | \$ 842,976 |
| Net Position: | | |
| Invested in Capital Assets | \$ 220,761 | \$ 171,070 |
| Unrestricted | 12,182,743 | 10,678,968 |
| Total Net Position | \$ 12,403,504 | \$ 10,850,038 |
| Changes in Net Position: | | |
| Program Revenues: | | |
| Baltimore City Grant | \$ 8,388,877 | \$ 8,319,420 |
| Other | 310,052 | 387,199 |
| Total Revenues | 8,698,929 | 8,706,619 |
| Expenses: | | |
| Administration of Parking Facilities | 7,090,970 | 6,997,864 |
| Capital Outlay/Depreciation/Amortization | 54,493 | 55,034 |
| Total Expenses | 7,145,463 | 7,052,898 |
| Increase in Net Position | 1,553,466 | 1,653,721 |
| Net Position – Beginning of Year | 10,850,038 | 9,196,317 |
| Net Position – End of Year | \$ 12,403,504 | \$ 10,850,038 |

For the year ended June 30, 2022, the Authority received substantially all of its funding from an annual grant from the city of Baltimore. The purpose of the grant was to finance the administration of Baltimore's parking operations through the Authority and cover all of the Authority's personnel costs, capital asset requirements, and other operating costs. The grant for the year ended June 30, 2022 was \$8,388,877. Operating expenses for the year ended June 30, 2022 totaled \$7,145,463, resulting in an increase in net position of approximately \$1,550,000. Total operating expenses increased approximately \$93,000 during the year ended June 30, 2022, as compared to the year ended June 30, 2021. The increase was primarily a result of higher merchant service fees and meter-related repair costs due to an increase in travel into Baltimore City following recovery from the coronavirus pandemic.

During the year ended June 30, 2022, the Authority purchased capital assets of approximately \$40,000 in addition to recognition of approximately \$64,000 of right-to-use lease assets. At June 30, 2022, the Authority had liabilities totaling \$1,110,449. These liabilities are expected to be funded through existing cash balances.

BUDGET ANALYSIS

The Budgetary Comparison Schedule – General Fund for the fiscal year ended June 30, 2022 (FY 2022) is presented on Page 13. The most significant budget variations included salaries and benefits, software costs, and merchant service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$570,000 less than expected. The decrease was due to employment vacancies not filled during the FY 2022.

Software costs were approximately \$670,000 less than expected. The budget included expenses relating to computer and equipment system upgrades, which were not fully utilized during FY 2022 and were delayed until future periods.

Merchant service fees, which include credit card fees, were approximately \$890,000 less than expected. The decrease was due to lower service fees charged on credit card usage following a recent merchant service fee agreement and a lower than expected level of credit card transactions during the pandemic.

FISCAL YEAR ENDING JUNE 30, 2023

The budget for the fiscal year ending June 30, 2023 (FY 2023) was submitted to the Baltimore City Board of Estimates in the amount of \$10,238,585, which represents an overall increase in the funding level compared to FY 2022, in the amount of \$484,044. The total grant appropriation includes \$5,480,900 for the base administrative grant, \$4,542,101 for the Meter Management Program grant, and \$215,584 for the Valet Regulations Program. This grant will pay salary, benefits, and other costs to support the administrative functions of the Authority.

The administrative portion of the grant supports salaries and benefits for 37 positions. It includes employee development for 50 employees, two employees in degree programs, and various training certification programs. Additionally, it includes funding for the following items: in-service training for Microsoft 365, including Word and Excel, and SharePoint; industry representation at the International Parking and Mobility Institute (IPMI), Great Plains User Group (GPUG) Summit, Middle Atlantic Parking Association (MAPA), and Human Resources (HR) conferences; Geographic Information System (GIS) Certification and Leadership Certificates; and shared services, such as postage machines, copiers, and printers.

The Meter Management Program funds support salaries and benefits for 10 positions. The Meter Management Program supports 924 multi-space meters and 2,543 single-space electronic meters. The single-space meter consolidation and modem upgrade project is ongoing. The Authority upgraded over 1,000 single-space meters from 3G to 4G modems. The Authority is working on expansion of Project Space conversion to the Northeast Market and John Hopkins area. This project converts single-space meter poles to the appropriate height required by the Americans with Disabilities Act (ADA) and installing any new ADA single-space meters in designated areas. In FY 2022, the Authority will be implementing several new pilot programs. The Authority replaced all Pay and Display meters with Pay by License Plate meters in FY 2021. Pay by License Plate meters use state-of-the-art technology to provide real-time data to Baltimore City's Department of Transportation (BCDOT) enforcement agents' hand-held devices or computers inside vehicles equipped with license plate readers. They have reduced the need for paper receipts, allowing for more efficient enforcement. Now that Pay by Plate meters are installed, the Authority continues to pursue Pay by Cell Phone service for parking at meters. Pay by Cell Phone service will give the Authority additional options for payment at meters, reduce costs associated with the parking meter program, and allow for a more efficient flow of vehicles into and out of parking spaces.

The Valet Regulations Program grant's funds support salaries and benefits for two positions. The Valet Regulations Program administers the licensing of valet operators in Baltimore and oversees the permitting of local businesses that offer valet parking. There are 30 current licensed valet operators and 31 valet loading zones.

In FY 2021, the Authority started the implementation of a Virtual Parking Permit (VPP) program in one Residential Permit Parking (RPP) area. In FY 2023, this program will be expanded to other RPP areas of the city. This program will use vehicles' license plate numbers instead of adhesive decals and paper visitor permits within

the VPP program. The program will allow permits to be purchased online, streamlining all application and renewal processes. As with Pay by Plate and Pay by Cell Phone services, BCDOT enforcement agents will use license plate recognition to efficiently enforce neighborhood parking restrictions.

In FY 2022, the Authority started Phase II of Cityworks, an enterprise asset management system (EAMS) that gives BCDOT, the Authority, and the city an electronic means for requesting, inputting, and tracking work orders and other components, such as signs and meters. Cityworks empowers GIS to manage both physical infrastructure and land-focused asset management. Service requests, work orders, inspections, and projects are used to track citizen concerns and all types of work activities—cyclical or reactive—with their associated costs. Map layers can be created to display information such as all open requests, sign locations, meter locations, Residential Reserved Disabled Parking (RRDP), and valet locations for a given time, etc. Reports of all types can be generated on the fly using various search parameters or can be set up as customized templates. Cityworks empowers staff at all levels—field staff, call takers, and administration—to get the information they need to perform their jobs efficiently and to make wise use of the resources to manage assets and provide services. In FY 2023, the Authority will be complete Phase II of the implementation, which will make enhancements to the Valet Regulations Program, the RRDP Program, Meter Management Program, and the electric vehicle charging station program.

In FY 2023, the RRDP Program will develop reports within Salesforce Carahsoft system for customer management. This system is now generating automated emails, notifications, reminders, and event-based triggered actions.

In Spring 2022, the Authority applied for over \$400,000 in grant money to expand access to on-street and off-street publicly owned charging stations in Baltimore City. Approximately \$80,000 in grant funds have since been awarded to the Authority to install electric vehicle charging stations in publicly owned garages in FY 2023. The Authority is a governor-appointed member of Maryland's Zero Emission Electric Vehicle Infrastructure Council where policies, recommendations, and incentives that promote zero emission vehicle usage are developed. Through a relationship with BGE's EVsmart program, electric vehicle charging stations are publicly accessible and off-set over 2,964.32 pounds of carbon dioxide at no cost to the city.

The financial system is now generating reports electronically, containing current financial information by program, which is being posted on the Authority's SharePoint site. Implementation of software to manage the revenue process and to coordinate the electronic transfer of data from the billing system to the facility access control system will continue in FY 2023. During FY 2023, the Authority anticipates upgrading its financial software to Microsoft Dynamics Great Plains reporting capability. The Authority will also be implementing time-saving data importing of information and providing improved reporting of financial information to management. The Authority continues its DocuSign initiative as a solution to workflow management. This initiative reduced paper handling and enabled data to be managed in a digital format. DocuSign provides users with the ability to create, send, track, access, and sign forms and documents in or out of office on different devices. The advantages include portability, legally defensible audit trails, integration friendliness, workflow, and use of Power Forms for public-facing online forms. This process is now used for financial documents as well as valet applications, refund request forms, account adjustments, and several internal forms.

The management team of the Authority is committed to introducing innovative technology and other methods to increase revenues for the city and provide outstanding customer service to all city patrons.

GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION

JUNE 30, 2022

| | General Fund | Adjustments (Note 4) | Statement of Net Position |
|---|----------------------|----------------------|---------------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 13,035,625 | \$ - | \$ 13,035,625 |
| Accounts Receivable | 85,482 | - | 85,482 |
| Grant Receivable | 124,133 | - | 124,133 |
| Other Assets | 47,952 | - | 47,952 |
| Capital Assets, Net (Note 2) | - | 220,761 | 220,761 |
| Total Assets | \$ 13,293,192 | \$ 220,761 | \$ 13,513,953 |
| Liabilities | | | |
| Accounts Payable | \$ 594,982 | \$ - | \$ 594,982 |
| Due to Baltimore City | 51,258 | - | 51,258 |
| Accrued Expenses | 405,863 | - | 405,863 |
| Leases Payable (Note 3) | - | 58,346 | 58,346 |
| Total Liabilities | 1,052,103 | 58,346 | 1,110,449 |
| Commitments (Note 3) | | | |
| Fund Balances | | | |
| Unassigned Fund Balance | 12,241,089 | (12,241,089) | - |
| Total Liabilities and Fund Balance | \$ 13,293,192 | | |
| Net Position | | | |
| Invested in Capital Assets | | 220,761 | 220,761 |
| Unrestricted | | 12,182,743 | 12,182,743 |
| Total Net Position | | 12,403,504 | 12,403,504 |
| Total Liabilities and Net Position | | \$ 220,761 | \$ 13,513,953 |

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

JUNE 30, 2022

| | General Fund | Adjustments (Note 4) | Statement of Activities |
|--|----------------------|----------------------|-------------------------|
| Expenditures/Expenses | | | |
| Administration of Parking Facilities | \$ 7,090,970 | \$ - | \$ 7,090,970 |
| Capital Outlay/Depreciation/Amortization | 104,184 | (49,691) | 54,493 |
| Total Expenditures/Expenses | 7,195,154 | (49,691) | 7,145,463 |
| Program Revenue | | | |
| Grant Revenue - Baltimore City | 8,388,877 | - | 8,388,877 |
| Other Income | 310,052 | - | 310,052 |
| Total Revenue | 8,698,929 | - | 8,698,929 |
| Excess of Revenue over Expenditures | 1,503,775 | (1,503,775) | - |
| Change in Net Position | | \$ 1,553,466 | 1,553,466 |
| Fund Balance/Net Position – Beginning of Year | 10,678,968 | | 10,850,038 |
| Fund Balance/Net Position – End of Year | \$ 12,182,743 | | \$ 12,403,504 |

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Baltimore City Parking Authority, Inc. (Authority) was created in 2000 by Baltimore City Ordinance 2000-71. The Authority's purpose is to assist Baltimore City (City) in the planning, development, management, and administration of its parking assets. The Authority does not own any parking facilities or other real property. The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority.

The Board of Directors of the Authority consists of five members; four are appointed by the Mayor and confirmed by the City Council, and one is a member of the City Council appointed by the City Council President.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The Authority follows Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34) and GASB Statement No. 38, Certain Financial Statement Note Disclosures (GASB 38). GASB 34 requires net position to be classified as restricted, unrestricted, or invested in capital assets and presentation of a Management's Discussion and Analysis section to introduce the basic financial statements. GASB 34 and GASB 38 require certain expanded footnote disclosures.

The Authority's main source of revenue is a single grant from the City; therefore, all assets, liabilities, revenues, and expenses/expenditures are accounted for in a governmental fund.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider are met. Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain other obligations, are recorded only when payment is due.

The general fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

Amounts reported as program revenues primarily include the operating grant from the City.

BUDGETARY INFORMATION

The annual budget of the Authority is subject to approval by the City's Board of Estimates. The budget serves as the basis for determining the grant from the City. Budgetary data is presented as required supplementary information for the general fund. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) for the governmental fund.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

The Authority evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 8, 2022, the date the financial statements were available to be issued.

CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Authority maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Uninsured deposits are collateralized through the Federal Reserve Bank with securities held by the pledging financial institution.

CAPITAL ASSETS

Capital assets are recorded at cost and depreciated using the straight-line method over the useful lives of the assets, which range from three to 10 years. It is the Authority's policy to capitalize capital assets over \$500. Lesser amounts are expensed.

COMPENSATED ABSENCES

The Authority accrues a liability for compensated absences that consists primarily of accumulated vacation leave. The liability includes those amounts expected to be paid upon termination of employment or through paid leave time.

NOTES TO FINANCIAL STATEMENTS (CONT)

NOTE 2 CAPITAL ASSETS

Capital assets of the Authority are as follows:

| | Beginning of Year | Additions | Retirements | End of Year |
|--|-------------------|------------------|-------------|-------------------|
| Capital Assets: | | | | |
| Computer Equipment | \$ 633,646 | \$ 40,368 | \$ - | \$ 674,014 |
| Office Equipment | 41,954 | - | - | 41,954 |
| Furniture and Fixtures | 86,138 | - | - | 86,138 |
| Leasehold Improvements | 60,745 | - | - | 60,745 |
| Leased Equipment (Right-to-Use Asset) | - | 63,816 | - | 63,816 |
| | <u>822,483</u> | <u>104,184</u> | <u>-</u> | <u>926,667</u> |
| Less: Accumulated Depreciation: and Amortization: | | | | |
| Computer Equipment | 494,051 | 35,420 | - | 529,471 |
| Office Equipment | 34,327 | 2,542 | - | 36,869 |
| Furniture and Fixtures | 62,290 | 5,591 | - | 67,881 |
| Leasehold Improvements | 60,745 | - | - | 60,745 |
| Leased Equipment (Right-to-Use Asset) | - | 10,940 | - | 10,940 |
| | <u>651,413</u> | <u>54,493</u> | <u>-</u> | <u>705,906</u> |
| Net Capital Assets | <u>\$ 171,070</u> | <u>\$ 49,691</u> | <u>\$ -</u> | <u>\$ 220,761</u> |

NOTE 3 COMMITMENTS

The Authority leases office space from the City under a lease whose original term expired in May 2022 and which continues on a month-to-month basis. The Authority leases office equipment under lease agreements, which expire through May 2027 and require payments ranging from approximately \$700 to \$1,400 per month over the leases. Rent expense recorded for the year ended June 30, 2022 was approximately \$120,000.

For the year ended June 30, 2022, the Authority implemented GASB Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. This change was incorporated in the Authority's 2022 financial statements.

Annual requirements to amortize lease obligations and related interest are approximately as follows:

| | Principal Payments | Interest Payments | Total |
|---------------------------|--------------------|-------------------|------------------|
| Year Ending June 30, 2023 | \$ 13,700 | \$ 2,600 | \$ 16,300 |
| 2024 | 14,400 | 1,900 | 16,300 |
| 2025 | 15,100 | 1,200 | 16,300 |
| 2026 | 8,100 | 600 | 8,700 |
| 2027 | 7,100 | 200 | 7,300 |
| Total | \$ 58,400 | \$ 6,500 | \$ 64,900 |

NOTE 4 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS FINANCIAL STATEMENTS AND GAAP FINANCIAL STATEMENTS

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

The fund balance of the general fund differs from net position reported in the Statement of Net Position. The difference results primarily from the treatment of capital assets. When capital assets are used in governmental activities, the costs of the assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those assets among the assets of the Authority.

STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

As noted above, outlays for capital assets to be used in governmental activities are reported as expenditures in the general fund; however, those expenditures are reported as assets, not expenses, in the Statement of Activities.

NOTE 5 RETIREMENT PLAN

The Authority maintains a retirement plan covering substantially all employees. The Plan allows for discretionary matching, qualified nonelective, and profit-sharing contributions. Amounts to be contributed to the plan are determined by the Board of Directors. The Authority made contributions for the year ended June 30, 2022 in the amount of \$117,845.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

For the Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual (Budgetary Basis) | (Negative) Positive Variance |
|---|---------------------|---------------------|--------------------------------|------------------------------------|
| Revenue | | | | |
| Grant - Baltimore City | \$ 9,754,341 | \$ 9,754,341 | \$ 8,388,877 | \$ (1,365,464) |
| Other | - | - | 310,052 | 310,052 |
| Total Revenue | <u>\$ 9,754,341</u> | <u>\$ 9,754,341</u> | <u>\$ 8,698,929</u> | <u>\$ (1,055,412)</u> |
| Expenditures | | | | |
| Salaries and Benefits | \$ 4,451,300 | \$ 4,451,300 | \$ 3,883,022 | \$ 568,278 |
| Telephones/Utilities/Internet | 53,400 | 53,400 | 51,130 | 2,270 |
| Vehicles/Travel | 75,800 | 75,800 | 24,679 | 51,121 |
| Business Machine Rental | 20,100 | 20,100 | 17,172 | 2,928 |
| Consultants | 207,000 | 207,000 | 25,835 | 181,165 |
| Equipment Warranty | 135,900 | 135,900 | 7,757 | 128,143 |
| Software | 1,589,100 | 1,589,100 | 922,513 | 666,587 |
| Legal | 51,000 | 51,000 | - | 51,000 |
| Printing and Copying | 43,400 | 43,400 | 51,995 | (8,595) |
| Merchant Service Fees | 1,606,100 | 1,606,100 | 719,267 | 886,833 |
| Computer Maintenance | 100,000 | 100,000 | 89,974 | 10,026 |
| Other Services | 951,700 | 951,700 | 1,037,881 | (86,181) |
| Maintenance and Supplies | 122,500 | 122,500 | 115,325 | 7,175 |
| Equipment Acquisitions | 133,600 | 133,600 | 108,084 | 25,516 |
| Rent | 133,000 | 133,000 | 100,815 | 32,185 |
| Advertising | 11,300 | 11,300 | 2,110 | 9,190 |
| Dues/Subscriptions/Training | 69,100 | 69,100 | 37,595 | 31,505 |
| Total Expenditures | <u>\$ 9,754,300</u> | <u>\$ 9,754,300</u> | <u>7,195,154</u> | <u>\$ 2,559,146</u> |
| Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP | | | | |
| Depreciation Expense (Net of Disposals) Not Included in Budget | | | 54,493 | |
| Capital Asset Acquisitions Included in Expenses | | | (104,184) | |
| Total Expenses | | | <u>\$ 7,145,463</u> | |

